

Report to the Social Services Appropriations Subcommittee

Health Coverage Improvement Program

September 2019



Statutory Requirement

As first required by House Bill 437 (2016), the Utah Department of Health (Department) submits this response to comply with the following statutory requirement in UCA 26-18-411:

- (8) Before September 30 of each year, the department shall report to the Health and Human Services Interim Committee and to the Executive Appropriations Committee:
 - (a) the number of individuals who enrolled in Medicaid under Subsection (6);
 - (b) the state cost of providing Medicaid to individuals enrolled under Subsection (6); and
 - (c) recommendations for adjusting the income eligibility ceiling under Subsection (7), and other eligibility criteria under Subsection (6), for the upcoming fiscal year.

Enrollment

Enrollment in the Health Coverage Improvement Program, also known as Targeted Adult Medicaid (TAM), began in November 2017 and continued to grow through State Fiscal Year (SFY) 2019. *Figure 1* demonstrates the enrollment trend for the program, and *Table 1* identifies the enrollment in SFY 2019. The average monthly enrollment in SFY 2019 was 4,122 members. Enrollment in the program grew to 4,681 members in June 2019.

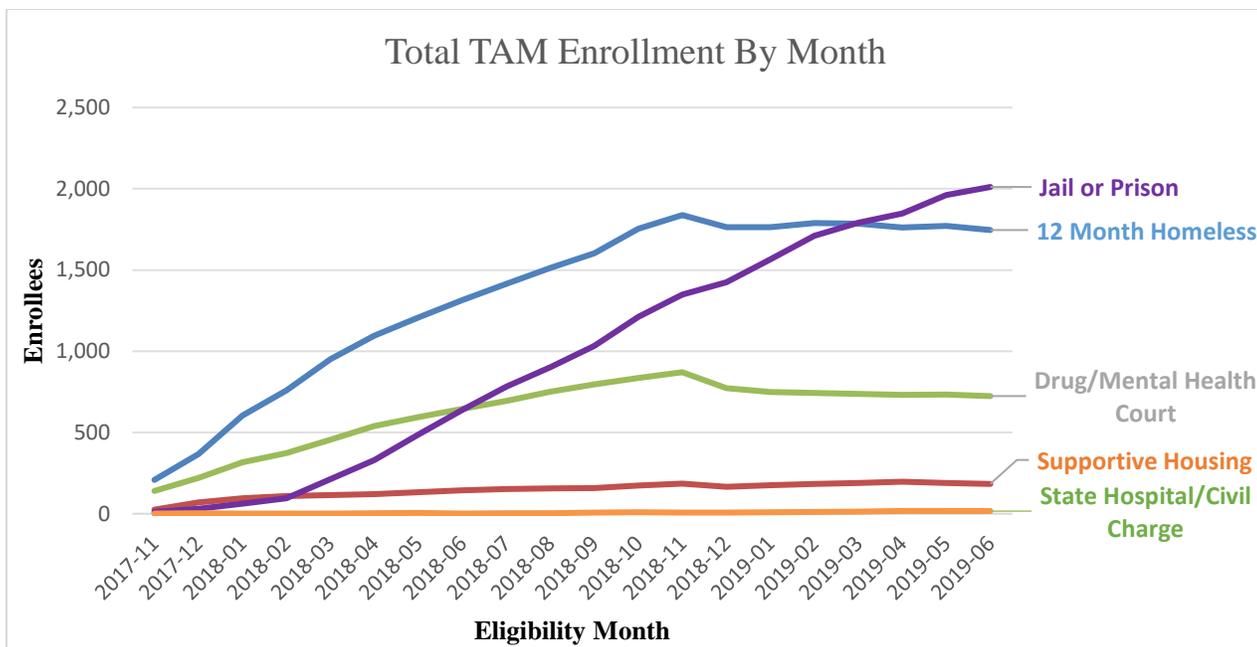


Figure 1

TAM Category	2018-07	2018-08	2018-09	2018-10	2018-11	2018-12	2019-01	2019-02	2019-03	2019-04	2019-05	2019-06
12 Month Homeless	1,415	1,513	1,603	1,754	1,838	1,764	1,764	1,789	1,786	1,761	1,772	1,746
Supportive Housing	151	155	158	174	185	165	176	184	190	197	190	184
Drug/Mental Health Crt	694	752	797	836	871	773	750	744	737	731	733	724
Jail or Prison	782	901	1,033	1,211	1,349	1,424	1,566	1,710	1,791	1,847	1,962	2,011
State Hospital/Civil Chrg	3	3	7	8	6	7	8	11	13	17	16	16
Total	3,045	3,324	3,598	3,983	4,249	4,133	4,264	4,438	4,517	4,553	4,673	4,681

Table 1

Cost of Providing Medicaid to Enrollees

Services

SFY 2019 service costs for the Health Coverage Improvement Program equaled \$60,555,930.04 total funds. Federal funds contributed \$42,297,726.42 to the service cost, and the remainder of \$18,258,203.62 was shared between the State, local funding sources, and hospitals in accordance with 26-36b-204(1)(b). *Table 2* details the expenditures by service type. The state net cost of services is \$9,863,424.11, shown in *Table 3*.

Service Type	Total Funds	Federal Funds	Non-Federal Share
Behavioral Health	\$7,901,965.61	\$5,511,610.96	\$2,390,354.65
Emergency Room	\$4,717,044.79	\$3,292,792.41	\$1,424,252.38
Inpatient Hospital	\$14,308,636.09	\$9,989,031.23	\$4,319,604.86
Lab and/or Radiology	\$5,697,333.77	\$3,979,666.80	\$1,717,666.97
MAT ¹	\$1,349,157.18	\$941,178.10	\$407,979.08
Non-MAT Pharmacy ¹	\$6,324,499.64	\$4,423,863.80	\$1,900,635.84
Other Services	\$5,735,999.14	\$4,022,468.66	\$1,713,530.48
Outpatient Hospital	\$2,834,710.42	\$1,978,890.48	\$855,819.94
Residential Service	\$11,686,583.40	\$8,158,223.98	\$3,528,359.42
Services Subtotal	\$60,555,930.04	\$42,297,726.42	\$18,258,203.62

Table 2

Description	Amount
Non-Federal Share	\$18,258,203.62
Collections	(\$255,777.82)
Hospital Share	(\$8,072,052.36)
Local Funding Sources	(\$66,949.33)
Services Net State Cost	\$9,863,424.11

Table 3

Administration

2019 administration costs for the Health Coverage Improvement Program equaled \$2,910,532.24 total funds. Federal funds contributed \$2,177,873.96; local funding sources contributed \$17,600.01; and the remainder of \$724,446.71 was the State's cost.

Administration Cost ²	Total Funds	Federal Funds	State Funds	Local Funds
Department of Workforce Services	\$2,356,221.29	\$1,834,203.60	\$522,017.69	\$0.00
Department of Health	\$563,699.39	\$343,670.36	\$202,429.02	\$17,600.01
Administration Total	\$2,919,920.68	\$2,177,873.96	\$724,446.71	\$17,600.01

Table 4

Total

The grand total state cost of the Health Coverage Improvement Program was \$10,587,870.82 as shown in *Table 5*.

Category	State Cost
Services	\$9,863,424.11
Administration	\$724,446.71
Grand Total	\$10,587,870.82

Table 5

¹ Pharmacy expenditures shown here are net of rebates. Rebates are allocated to the Health Coverage Improvement Program based on the program's share of Medicaid's pharmacy expenditures.

² Administrative costs for the Medicaid expansion programs - 26-18-411(6), 26-18-411(3), and 26-18-415, are not separately tracked. The amount shown here attributed to 26-18-411(6) is allocated based on share of service expenditures.

Recommendations

With the passage of Senate Bill 96 (2019), Utah Medicaid was expanded to 100 percent of the Federal Poverty Level (FPL) effective April 1, 2019. This expansion allowed individuals earning more than the TAM income limits to qualify for Medicaid coverage. In addition, the expansion moved a 5 percent of FPL disregard of income from the TAM program to the larger Medicaid expansion. In order to maintain TAM income eligibility at the same level it was before the expansion, the Department worked with the legislature to establish a 5 percent FPL limit for TAM for FY 2020. The Department does not recommend any further changes to the income limit at this time.

However, the Department does recommend a change in the categorical definitions for TAM. On September 27, 2019, the Department released a proposal for the third waiver required by Senate Bill 96. This proposal (known as the “Fallback Plan”) includes a request to expand the categorical definitions for TAM. It would add to TAM the following groups: homeless victims of domestic violence, individuals receiving court ordered treatment, and individuals on probation or parole that have severe mental health or severe substance use disorders. If these groups are added to TAM, they would receive the benefits of 12 month continuous eligibility and have access to dental services if they are receiving substance use treatment. The fiscal estimate for Senate Bill 96 included funding for additional continuous eligibility beyond the amount provided through the current TAM eligibility.